

## Message Text

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ORIGIN XMB-04

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R 242121Z DEC 74

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

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E.O. 11652: N/A

TAGS: EFIN

SUBJ: EXIMBANK'S UNANSWERED LETTER OF AUGUST 22, 1974 TO BISENGIMANA  
RWEMA

1. PARAGRAPH 2 BELOW CONTAINS TEXT OF EXIMBANK'S AUGUST 22, 1974  
LETTER TO BISENGIMANA RWEMA REGARDING PLEDGE OF COPPER TO SECURE  
BORROWINGS AN ANSWER TO WHICH HAS NOT BEEN RECEIVED. EMBASSY  
REQUESTED TO FOLLOW-UP TO OBTAIN RESPONSE AS SOON AS POSSIBLE.

2. BEGIN TEXT: DEAR MR. DIRECTOR:

IT HAS COME TO OUT ATTENTION THAT THE REPUBLIC OF ZAIRE HAS  
AGREED TO PLEDGE THE DELIVERY OF CERTAIN AMOUNTS OF COPPER AS  
SECURITY FOR LOANS EXTENDED TO YOUR GOVERNMENT. WE MUST EXPRESS  
TO YOU THE CONCERN OF THE EXPORT-IMPORT BANK OF THE UNITED STATES  
THAT SUCH AN ACTION APPEARS TO CONTRAVENE UNDERSTANDINGS BETWEEN  
YOUR GOVERNMENT AND EXIMBANK REGARDING OUR FINANCING OF THE INGA II  
HYDROELECTRIC PROJECT AND THE INGA-SHABA TRANSMISSION LINE.

ONE IMPORTANT ASPECT OF THE SECURITY EXTENDED TO EXIMBANK,  
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IN CONSIDERATION OF OUR LOANS AND GUARANTEES FOR THESE PROJECTS, IS

THE GUARANTEE OF YOUR GOVERNMENT TO SUPPLEMENT THE REVENUES OF THE SOCIETE NATIONAL D'ELECTRICITE (SNEL) TO THE EXTENT NECESSARY TO MEET THE DEBT OBLIGATIONS OF SNEL. ANY SUPPLEMENTAL INVESTMENT IN SNEL WOULD BE FROM YOUR GOVERNMENT'S GENERAL REVENUES, SPECIFICALLY INCLUDING REVENUES DERIVED FROM THE SALE O EXPORT OF COPPER. THE PLEDGE OF ANY OF YOUR GOVERNMENT'S COPPER ASSETS AS SECURITY TO OTHER LENDERS, THUS, MIGHT RESULT IN PREJUDICING THE ABILITY OF YOUR GOVERNMENT TO FULFILL ITS OBLIGATIONS TO EXIMBANK UNDER OUR CREDIT AGREEMENTS RELATING TO THE INGA II AND INGA-SHABA TRANSMISSION LINE PROJECTS.

WILL YOU PLEASE INFORM US OF THE SPECIFIC DETAILS OF ANY SUCH PLEDGES WHICH HAVE BEEN MADE. THE EXPORT-IMPORT BANK DOES NOT PROPOSE THAT YOUR GOVERNMENT BREACH ANY AGREEMENTS THAT IT HAS ALREADY CONCLUDED WITH RESPECT TO PLEDGES OF COPPER AS SECURITY TO OTHER LENDERS. HOWEVER, WE TRUST THAT NO FUTURE PLEDGES OF YOUR GOVERNMENT'S COPPER ASSETS WILL BE MADE. WE CALL YOUR ATTENTION TO ARTICLE III, UNDERTAKINGS OF GUARANTOR (REPUBLIC OF ZAIRE), ARTICLE VIII(B), SUSPENSION BY EXIMBANK, AND ARTICLE X, EVENTS OF DEFAULT, UNDER THE CREDIT AGREEMENT RELATING TO THE INGA-SHABA TRANSMISSION LINE AND THE COMPARABLE SECTIONS OF THE CREDIT AGREEMENT RELATING TO INGA II.

WE TRUST, MR. DIRECTOR, THAT YOUR GOVERNMENT WILL UNDERSTAND AND AGREE WITH THE POSITION WE HAVE EXPRESSED HEREIN, AND THAT YOUR GOVERNMENT WILL GIVE US ITS ASSURANCE THAT IT WILL NOT AGAIN ENTER INTO ANY AGREEMENTS IN WHICH IT PLEDGES ITS COPPER ASSETS AS SECURITY FOR LOANS WITHOUT, AT LEAST, PRIOR CONSULTATION WITH THIS BANK. SINCERELY YOURS, WARREN W. GLICK, ACTING EXECUTIVE VICE PRESIDENT. END TEXT. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COPPER, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 DEC 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** EFIN, XMB, (RWEMA, BISENGIMANA)  
**To:** KINSHASA  
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